Government of Saskatchewan

Annual Report 1983-84

Judges of the Provincial Court Superannuation Fund

85-5116/

Regina, Saskatchewan.
June 30, 1984.

His Honour F. W. Johnson,
Lieutenant Governor,
Province of Saskatchewan.

Sir:

I have the honour to transmit herewith the sixth Annual Report of the Judges of the Provincial Court Superannuation Fund for the year ending March 31, 1984.

I have the honour to be, Sir

Your Obedient Servant,

R. L. Andrew,
Minister of Finance

Contents

	Page
Introduction	3
Operation of the Fund	3
Contributions and Membership	3
Pensions	4
Investments	4
Administration	4
Financial Statements	
Auditor's Report	6
Statement of Financial Position	7
Statement of Members' Accumulated Balances	8
Statement of Unallocated Fund Balance	9
Notes to Financial Statements	10
Schedule of Investments	12

Introduction

Section 27(1) of The Provincial Court Act established the Judges of the Provincial Court Superannuation Fund to provide pensions to judges employed by the Province. Previously pensions had been provided to qualifying judges through The Magistrates' Courts Act. Judges appointed at the time the Fund was established had the option of retaining the benefits provided under The Magistrates' Courts Act, or opting to contribute to the Fund and earn a pension under The Provincial Court Act. Service under The Magistrates' Courts Act is included as service in the calculation of pensions under The Provincial Court Act.

Operation of the Fund

The Fund is credited with contributions paid by judges and with interest earned on the investment of moneys in the Fund. Payments may be made out of the Fund for pensions, annuities, supplementary allowances, refunds and interest. Any deficiency in the Fund shall be paid out of the Consolidated Fund.

The payment of annuities, granted under The Magistrates' Courts Act, to retired magistrates or widows of retired magistrates are continued under The Provincial Court Act. The annuities are considered to be a deficiency in the Fund and are reimbursed by way of a payment from the Consolidated Fund each fiscal year. The deficiency payment for the period April 1, 1983 to March 31, 1984 amounted to $117,171.

The Judges of the Provincial Court Superannuation Plan is a formula pension plan which provides pensions based on average salary and years of service as a judge or magistrate. The Magistrates' Courts Act provides an allowance to qualifying magistrates based on earnings at time of retirement.

Spouses of those eligible for, or in receipt of pension, are entitled to 50% of the pension upon the death of the recipient.

Contributions and Membership

During the fiscal year 1980-81 the Act was amended to require contributions by the judges as follows: For the period October 1, 1978 to December 31, 1980, judges contributed 9% of their salary to the Fund. On and after January 1, 1981 judges shall contribute 9% of their salary to the maximum deductible contribution to a registered pension plan, as allowed in the Income Tax Act (Canada) and as amended from time to time. The contribution limits include required contributions to the Canada Pension Plan.

Contributions to the Fund for the year totalled $135,642 and there were 40 judges contributing to the Fund at March 31, 1984.

Pensions

Annuities paid to retired judges, or their widows, under both The Magistrates' Courts Act and The Provincial Court Act totalled $123,917 for the fiscal year 1983-84.

Investments

Saskatchewan Finance, Investment and Financial Services Division is responsible for managing the investments of the Fund. The investment policy directs that the assets of the Fund shall be in long-term, high quality investments yielding the best possible return with minimum risk. At March 31, 1984 the book value of the investment portfolio was $952,263. Of this amount $758,157 was invested in bonds while $194,106 was in short-term investments.

Administration

In accordance with Section 27(4) of the Act, expenses of administering the Judges of the Provincial Court Superannuation Fund are not charged to the Fund but are to be paid out of moneys appropriated by the Legislature.

Administration of the Fund is presently assigned to the Public Employees Benefits Agency with no significant increase in the existing costs of that unit.

Judges of The Provincial Court Superannuation Fund

Financial Statements

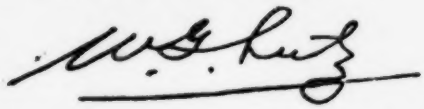
Year Ended March 31, 1984

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Judges of the Provincial Court Superannuation Fund as at March 31, 1984 and the statements of members' accumulated balances and unallocated fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
May 29, 1984.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Judges of The Provincial Court Superannuation Fund

Statement of Financial Position

March 31, 1984

(With comparative figures at March 31, 1983)

Assets

	1984	1983
Cash	$ 1,981	$ 2,321
Contributions receivable	14,898	15,820
Accrued interest receivable	24,288	31,273
	41,167	49,414
Investments (Note 2(a) and Schedule 1) (Market value $927,129; 1983 $741,406)	952,263	709,285
	$ 993,430	$ 758,699
Liabilities and Fund Balance		
Accounts payable	$ 2,764	$ 1,425
Fund balance (Note 4):		
Members' accumulated balances (Statement 2)	731,914	616,064
Unallocated fund balance (Statement 3)	258,752	141,210
	990,666	757,274
	$ 993,430	$ 758,699

(See accompanying notes)

Statement 2

Judges of the Provincial Court Superannuation Fund

Statement of Members' Accumulated Balances

Year Ended March 31, 1984

(With comparative figures for the previous year)

	1984	1983
Balance, beginning of year	$ 616,064	$ 475,765
Add: Contributions by judges	135,642	140,299
	751,706	616,064
Deduct: Transfer of contributions to unallocated fund balance re retiring judge	19,792	—
Balance, end of year	$ 731,914	$ 616,064

(See accompanying notes)

Judges of the Provincial Court Superannuation Fund

Statement of Unallocated Fund Balance

Year Ended March 31, 1984

(With comparative figures for the previous year)

	1984	1983
Balance, beginning of year	$ 141,210	$ 58,065
Add: Annuity deficiency payment from Consolidated Fund (Note 2(c))	117,171	110,533
Investment income	104,496	87,272
Transfer of contributions from members' accumulated balances re retiring judge	19,792	–
	382,669	255,870
Deduct: Annuities paid under:		
The Magistrates' Courts Act	51,703	50,690
The Provincial Court Act	72,214	63,970
	123,917	114,660
Balance, end of year	$ 258,752	$ 141,210

(See accompanying notes)

Judges of The Provincial Court Superannuation Fund

Notes to Financial Statements

March 31, 1984

1. **Authority**

The Judges of the Provincial Court Superannuation Fund was established under The Provincial Court Act to provide for the payment of pensions and allowances as authorized by that Act. The Fund is credited with contributions paid by judges, as required by the Act, and with investment earnings of the Fund. The Act was proclaimed in effect October 1, 1978 and the Fund has legally existed since that date.

2. **Significant Accounting Policies**

a) **Investments**

The Fund records investments at cost or amortized cost where applicable. Amortization of premiums or discounts is calculated on a straight line basis from acquisition date to maturity date.

Gains or losses on sales of investments are deferred and amortized over the remaining term of the security sold.

b) **Administrative Costs**

In accordance with section 27 (4) of The Provincial Court Act, all general administrative and employee costs required for the administration of the Fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for such costs is included in these financial statements.

c) **Annuity Deficiency Payment**

Section 52 of The Provincial Court Act provides that annuities being paid under The Magistrates' Courts Act shall be paid out of the Fund. Section 31 of The Provincial Court Act provides that a judge of the Magistrates Court prior to October 1, 1978 may elect to receive the benefits to which he was entitled under The Magistrates' Courts Act rather than contributing to the Fund and receiving benefits as determined by The Provincial Court Act. Section 27 (3) of The Provincial Court Act provides that any deficiency in the Fund shall be paid out of the Consolidated Fund. Accordingly, the annuities which are now or will become payable under The Magistrates' Courts Act are considered to be a deficiency and the Fund is reimbursed by way of a statutory appropriation from the Consolidated Fund each year. On April 1, 1982, the interpretation of the term "deficiency" was expanded to include any amounts payable under The Provincial Court Act to superannuates which are in excess of an individual's accumulated contributions, and the reimbursements from the Consolidated Fund have been increased accordingly.

3. **Actuarial Report**

As outlined in Notes 1 and 2(c), benefits under The Magistrates' Courts Act and The Provincial Court Act are to be paid from the Judges of the Provincial Court Superannuation Fund. An actuarial valuation was performed as at January 1, 1983 on the pension plan for the Saskatchewan Provincial Court Judges including the implication of benefits payable under both Acts.

The report states that using the Aggregate Attained Age Method with Supplemental Liability the plan has an unfunded accrued liability of $6.3 million. In addition, the report states the combined future cost of the plan will be 17.11% of the judges' salaries in order to meet the cost of benefits to be earned for service after the valuation date.

4. **Fund Balance**

a) **Members' Accumulated Balances**

Members' accumulated balances represent the amounts that have been contributed by members to the plan at year end. These balances do not represent the accrued value of retirement benefits earned by members since retirement benefits under the plan are based on years of service and salary levels.

Upon a member withdrawing from the plan, the members' accumulated contributions are refunded. Where a member superannuates, his accumulated contributions are transferred to the credit of the unallocated fund balance described in note 4(b).

b) **Unallocated Fund Balance**

The unallocated fund balance is composed of:

i) the accumulated contributions at rates stipulated in "The Provincial Court Act" of all superannuates; and

ii) investment income

reduced by pension payments made to superannuates and interest allocated to members' accumulated contributions at such time as they withdraw from the plan.

Schedule 1

Judges of The Provincial Court Superannuation Fund

Schedule of Investments

March 31, 1984

(With comparative figures at March 31, 1983)

	1984		1983	
	Amortized Cost	Market Value	Amortized Cost	Market Value
Government of Canada May 15, 1983 8¾%	$ —	$ —	$ 24,973	$ 24,950
Government of Canada February 1, 1984 9¾%	—	—	24,978	24,950
Province of Saskatchewan May 15, 2004 10%	87,838	74,604	87,234	82,500
Province of Saskatchewan April 1, 2001 10¼%	39,891	38,732	39,297	42,500
Province of Saskatchewan December 2, 1999 10%	—	—	87,580	93,240
Province of Saskatchewan April 1, 1986 13 3/8%	—	—	145,182	168,000
Province of Saskatchewan December 1, 2002 13%	197,432	188,500	197,295	202,500
Government of Canada March 1, 1994 12%	98,627	94,375	—	—
Province of Saskatchewan March 30, 2003 12¼%	165,646	157,500	—	—
Province of Saskatchewan June 2, 2000 11¾%	92,538	87,147	—	—
Norcen Energy Resources December 20, 2003 13¼%	100,000	92,165	—	—
	781,972	733,023	606,539	638,640
Less unamortized gain on investments sold	(23,815)	—	(20)	—
	758,157	733,023	606,519	638,640
Short term investments	194,106	194,106	102,766	102,766
	$ 952,263	$ 927,129	$ 709,285	$ 741,406